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THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D. C. 20505

National Intelligence Officers

NFAC-2492-81 28 April 1981

MEMORANDUM FOR: Director of Central Intelligence

Deputy Director of Central Intelligence

THROUGH : Deputy Director for National Foreign Assessment

National Intelligence Officer for Warning

FROM : National Intelligence Officer for Latin America

SUBJECT : Monthly Warning Assessment: Latin America

1. Action Requested: none, for your information only. (U)

2. El Salvador

The insurgents still are largely on the defensive in terms of major military operations, because of supply problems and the pressure of government counterinsurgency sweeps. But the insurgents have stepped up small-unit attacks--terrorism, economic sabotage, ambushes, hit-and-run raids. Government forces lack the manpower and "know-how" to curb this low-level guerrilla warfare of disruption and destruction. US training and planned expansion of the Army--including an elite "quick reaction" battalion--will enhance government counterinsurgency effectiveness, but only slowly. In the meantime, the disruption and destruction and other economic problems are increasing the pressures on the poor. Though most tend to blame the insurgents more than the government, the resulting dislocation and unemployment should aid guerrilla recruitment. (S)

3. External Support to the Insurgents. Cuba and Nicaragua, with Soviet encouragement, seem to be increasing war supplies to the Salvadoran insurgents from the low point of February-March induced by US pressures. These countries almost certainly will underwrite sufficient materiel to maintain the insurgents' current low-level actions of disruption and destruction. New, less detectable routes may over time also help the insurgents build their war stocks for another military offensive. (S)

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4. Nicaragua

So far, despite strong rhetoric against the US cutback in aid, the Sandinistas have neither encouraged nor permitted major anti-US demonstrations or actions that endanger US personnel or facilities. Economic, political and paramilitary pressures against the government continue to build up, however. Though small, some prospect of anti-US demonstrations or attacks still remains. (S)

5. Cuba

Despite Castro's public warnings about the danger of a US attack, and his recent military alerts, he still is sending signals of his interest in avoiding a crisis. In this atmosphere there is little chance of a planned or accidental threat to US installations or personnel in Cuba. However, should the US take action that Castro believed threatened Cuba's security, he would probably see some incident in which blood was shed as giving him a tactical advantage in bringing domestic US and international pressure against the Reagan Administration. (S)

6. Colombia

Recent daring operations by Colombia's formidable M-19 guerrilla group--undertaken with major help from Cuba--have heightened Bogota's concern over its own long-standing insurgency problems and Cuban-supported regional turmoil generally. The army frustrated the M-19's plans in this instance, but by no means has broken that organization. Moreover, another long-established guerrilla group was unaffected and remains fully active. The capture of a number of M-19 militants, including some of the top leaders, almost certainly will encourage the group to try to pull off some dramatic act--perhaps targeting a prominent Colombian figure or US or other foreign diplomat--to force the release of captured colleagues. The Colombian Government can be expected to persist in efforts to sensitize Washington to its security concerns and to seek US counterinsurgency assistance. (S)

7. Bolivia

Prospects for a coup against the regime of General Garcia Meza have increased with former Presidents Natusch Busch and Banzer maneuvering against him. The US has kept Garcia Meza in the diplomatic "deep freeze" since he came to power last July, because of his severe political repression and apparently major connivance with major drug dealers. Access to power and "spoils", rather than ideology or major policy differences motivate the plotters. Nonetheless, the removal of Garcia Meza would lead to increased pressure for Washington to normalize relations with Bolivia. Leading South American countries, which have long since normalized ties with Garcia Meza, would probably be puzzled—and perhaps irritated—were the US to fail to deal with a new regime. (S)

Jack Davis

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